GOVERNMENT OF INDIA
HUMAN RESOURCE DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:125
ANSWERED ON:02.08.2005
FINANCIAL AUTONOMY TO UT` s AND MI` s
Patel Shri Kishanbhai Vestabhai;Singh Shri Sugrib

Will the Minister of HUMAN RESOURCE DEVELOPMENT be pleased to state:

(a) whether the Government is introducing a modified Block Grant Scheme for the funding of Indian Institute of Technology, Indian Institute of Management and other institutions of higher learning;

(b) if so, the salient features thereof;

(c) whether the Government is introducing the aforesaid scheme to restore the financial autonomy of such institutions; and

(d) if so, the reasons therefore alongwith the present financial status of all these institutions?

Answer

MINISTER OF HUMAN RESOURCE DEVELOPMENT(SHRI ARJUN SINGH)

(a) to (d) : A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 125 FOR 02.08.2005 ASKED BY S/SHRI KISHANBHAI V. PATEL AND SUGRIB SINGH REGARDING FINANCIAL AUTONOMY TO IIT`S AND IIM`S.

(a) Yes Sir.

(b): The Scheme of Block Grant (Non-Plan Grant) now being introduced will remain operative for a period of five years commencing 2005-2006 in respect of the following Centrally funded Institutes:

(i) Indian Institutes of Technology at Bombay, Delhi, Kanpur, Kharagpur, Madras, Guwahati, Roorkee;

(ii) Indian Institutes of Management at Ahmedabad, Bangalore, Kolkata, Lucknow, Indore and Kozhikode;

(iii) Indian Institute of Science, Bangalore;
iv) Indian School of Mines, Dhanbad

v) National Institute of Industrial Engineering (NITIE), Mumbai;

vi) National Institutes of Technical Teachers Training & Research (NITTTR) at Bhopal, Chandigarh, Chennai and Kolkata;
vii) School of Planning and Architecture, New Delhi.

The base year for determining annual grant-in-aid under Non-Plan in respect of the above institutes from 2005-06 to 2009-10 shall be 2004-2005. The grant-in-aid sanctioned to these Institutes in the year 2004-2005 shall be inclusive of unspent balance adjusted / permitted- to be carried forward for utilization during 2004-2005. These Institutes shall be allowed to retain the Internal Revenue/Income generated by them and their entitlement for annual grant-in-aid during the Block Grant period shall not.., be adjusted against any increase in income. Special grants shall be provided as `force majeure` in the event of revision of scales of pay and other unforeseen events. The force majeure clause will, however, not be invoked for any increase in rate of Dearness Allowance /Dearness Relief payable to employees/pensioners of the Institutes.

The Government would provide matching grant equivalent to the annual savings from the regular non-plan grant and other receipts including internal revenue and earnings from consultancy, entrance examination like JEE, CAT etc and other continuing education programmes but, excluding receipts earmarked for designated purposes in accordance with the terms & conditions of such donations with due approval of the Finance Committee & Board of Governors. The matching grant would be available till the Endowment Fund has reached the level of Rs.100 Crores for each Institute respect of IITs/IISc and Rs. 50 crore in respect of IIMs and other Institutes Matching grant equivalent to the total savings transferred to the Endowment Fund in a Financial , Year shall be sanctioned to the Institute in the following financial year. Institute having funds in excess of the ceiling as; prescribed above may utilize the same for infrastructural development. The proceeds from the Endowment Fund by way of interests earned annually would be available to the Institutes for supplementing the plan grant being given by the Government and if required, for meeting essential operational expenses.

(c) & (d) Yes, Sir. The Scheme is being introduced in pursuance of the objectives of the Government to provide greater autonomy in the functioning of the above Central funded Higher Educational Institutes of importance. At present all these Institutes are centrally funded and all financial requirements are met by Plan and Non Plan funds and internal resource generation.